

**OREGON
SPECIAL PUBLIC WORKS
PROGRAM**

**1987
APPLICANTS
HANDBOOK**

INTERGOVERNMENTAL RELATIONS DIVISION

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VICTOR ATIYEH, GOVERNOR

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VICTOR ATIYEH
GOVERNOR



OFFICE OF THE GOVERNOR
STATE CAPITOL

SALEM, OREGON 97310
September 26, 1986

Local Government Officials

It is my pleasure to announce the second annual competition for funding awards under the Oregon Special Public Works program, administered by the Intergovernmental Relations Division (IRD).

The Oregon Special Public Works Program is an important component of the State's economic development program, since it provides funds for the infrastructure needed to support job creation and retention at the local level. As a result of the first round competition, this lottery-funded program is assisting 19 projects with nearly 6.1 million dollars. This State assistance is leveraging over \$7.7 million in local, federal, and private contributions to the various projects. Fourteen of the projects are combination grant and loan awards for construction projects and five are technical assistance grants.

There are some changes to this year's program, described in this Applicants' Handbook. The changes are a result of the experience gained from the first round competition and the feedback received from municipalities, the public, and economic development professionals. The Special Public Works Advisory Committee, which was established in the statute governing the program, approved the program changes at their meeting on September 11, 1986.

The Applicants' Handbook includes the program schedule, the rules which govern the funding competition, and application forms. IRD staff will conduct applicant information workshops in early October as shown in the program schedule. If you need assistance preparing applications or have questions about the program, please call IRD at 378-3732.

While there are not nearly enough lottery revenues to assist the many worthy projects around the state, I encourage you to apply. The state is most anxious to assist in the development of public works infrastructure projects which strengthen your area's ability to attract and keep businesses and jobs.

Sincerely,

Victor Atiyeh
Governor

Proposed Schedule
1987 Special Public Works Program Funding Competition

Public Hearings-Proposed Program Salem, Portland, Roseburg, Pendleton	August 15, 1986 (written comments deadline: August 22)
PW Advisory Committee reviews program and staff recommendation	September 11, 1986
Staff mails final applicant's handbook	September 26, 1986
Applicants' workshops Salem, Roseburg, La Grande Portland	October 9, 1986 October 10, 1986
Application deadline (must be received by IRD by later than 5:00 PM, Friday December 12, 1986)	December 1-12, 1986
Staff rating and ranking (includes site visits)	December 15, 1986-January 30, 1987
PW Advisory Committee reviews TA Awards-Staff Recommendation Preliminary Funding List-Staff Recommendation	February 19, 1987
IRD Administrator announces TA Awards and preliminary funding list for construction projects	February 20, 1987
IRD invites Phase II Construction Applications	February 20, 1987
Deadline for receipt of Phase II Applications	March 31, 1987
Negotiations with Phase II Applicants begin on or about:	April 6, 1987
Last date for IRD Administrator to make final awards for construction projects	May 31, 1987
Construction begins six months from date of award	

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DEFINITIONS AND ABBREVIATIONS

IRD---Intergovernmental Relations Division

Phase I application--the initial application for an infrastructure construction project which all eligible municipalities must submit in order to have their projects considered for SPWF assistance from IRD.

Phase II application--the final application for an infrastructure construction project. Submission of this application form will be invited by IRD following approval of the preliminary funding list.

Preliminary Funding list--the list of infrastructure construction projects which includes the highest ranking projects within the limits of available SPWF monies. After the preliminary list is approved by the PW Advisory Committee, municipalities whose projects are on the list will be invited to submit Phase II applications.

Project Benefit Area--the geographic area which includes properties that will be specifically benefitted by the infrastructure project.

SPWF--Special Public Works Fund.

OREGON PUBLIC WORKS
INFRASTRUCTURE PROGRAM

INTERGOVERNMENTAL RELATIONS DIVISION

I. PURPOSE

The 1985 State Legislature has found that the improvement, expansion, and new construction of the State's infrastructure may provide the basic framework for continuing and expanding economic activity in the state, thereby providing jobs and economic opportunity for the people of Oregon. The legislature's objectives are set forth in ORS 284.340 (see Appendix A).

The Oregon Public Works Infrastructure Program, administered by the Intergovernmental Relations Division (IRD) will make loans and grants to eligible applicants in order to promote the primary economic development goals of the State:

- Support projects that will increase the number of family wage jobs in this state.
- Promote economic recovery in small cities heavily dependent on a single industry.
- Emphasize development in underdeveloped rural areas of this state.
- Utilize the educational resources available at institutions of higher education.
- Support the development of the state's small businesses, especially businesses owned by women and members of minority groups.
- Encourage the use of Oregon's human and natural resources in endeavors which harness Oregon's economic comparative advantages.
- Encourage projects that assist businesses selling goods and services in markets for which national or international competition exists.

II. ELIGIBLE APPLICANTS

ORS 284.310 defines these municipalities as eligible applicants: Cities, counties, ports incorporated under ORS 777.000 and 777.050; the Port of Portland created by ORS 778.010; a metropolitan service district created under ORS Chapter 268 or a domestic water supply district organized under ORS Chapter 264.

III. ELIGIBLE AND INELIGIBLE ACTIVITIES

- ELIGIBLE ACTIVITIES - Engineering and architectural activities NECESSARY TO THE CONSTRUCTION of the infrastructure project. Eligible support services include property acquisition, disposition and clearance; engineering plans and estimates; field surveys; specification preparation; architectural plans; working drawings; mapping; inspections.
- Improvement, expansion and new construction of sewage treatment works, water supply works, roads and public transportation which provides the basic framework for continuing and expanding economic activity in the state, thereby providing jobs and economic opportunity for the people of Oregon.

Infrastructure projects are defined as follows:

- A project for the construction of sewage treatment works, solid waste disposal sites, water supply works, roads, public transportation or other facilities that comprise the physical foundation for industrial and commercial activity.
- A project, in cooperation with the Department of Transportation, for the acquisition, reconstruction, rehabilitation, operation and maintenance of an abandoned railroad line or railroad line that has been designated by the owner and operator thereof as subject to abandonment within a three-year period pursuant to federal law and regulations governing abandonment of common carrier railroad lines.
- "Public transportation" includes public depots, public parking, public docks, public wharves, railroads and airport facilities.
- "Roads" includes: Ways described as streets, highways, throughways or alleys; road related structures that are in the right of way such as tunnels, sidewalks, culverts or similar structures; and structures that provide for continuity of the right of way such as bridges.
- "Sewage treatment works" includes all facilities necessary for collecting, pumping, treating and disposing of sanitary or storm sewage.
- "Solid waste disposal site" has the meaning given to the term "disposal site" by ORS 459.005(8).

- "Water supply works" includes all facilities necessary for tapping natural sources of domestic and industrial water, treating and protecting the quality of the water and transmitting it to the point of sale to any public or private agency for domestic, municipal and industrial water supply service.
 - Only publicly-owned infrastructure is considered eligible for funding assistance.
- INELIGIBLE ACTIVITIES - Administrative costs, costs for PRELIMINARY planning, legal, fiscal, engineering and economic investigations, reports and studies to determine the feasibility of the project.
- "Preliminary" includes expenses incurred prior to the announcement of an SPWF grant/loan award to the recipient.
- Such planning costs shall be borne in their entirety by the municipality. (Exception: Municipalities of less than 5000 residents may apply for technical assistance grants of up to \$10,000 to assist with these costs.)
- Purchase of equipment, such as motor vehicles, not directly appurtenant to the facilities mentioned above.
 - Technical assistance or construction projects for infrastructure which is or will be privately owned.

IV. TYPES OF LOANS AND GRANTS

- IRD MAY MAKE LOANS TO MUNICIPALITIES FOR:
- Infrastructure construction projects related to economic development and the retention or creation of jobs.
 - Purchase of bonds issued by municipalities for infrastructure projects related to economic development.
 - Also, IRD may sell revenue bonds on behalf of a municipality to finance infrastructure projects related to economic development and the retention or creation of jobs.
- IRD MAY MAKE GRANTS TO MUNICIPALITIES FOR:
- Infrastructure construction projects related to economic development and the retention or creation of jobs.
 - Partial repayment of bonds for a proposed infrastructure project related to economic development.

- Technical assistance of up to \$10,000 to municipalities of less than 5000 residents to assist with engineering and architectural reports, financial feasibility studies, surveys, designs, plans, working drawings, and specifications necessary for the construction of an infrastructure project.

V. FUNDS AVAILABLE

IRD received an \$18,202,000 legislative appropriation from Lottery proceeds. These funds will be received over a two year period beginning July 1, 1985. If lottery proceeds are less than projected, IRD will receive less than \$18,202,000. IRD also has the authority to sell \$100 million in bonds for infrastructure projects. IRD may issue not more than 50 percent of the legislative appropriation in grants.

VI. MAXIMUM AWARDS

- Maximum Grant - \$1 million (cannot exceed 85% of total project costs)
- Maximum Technical Assistance Grant - \$10,000 (cannot exceed 85% of total project costs)
- Maximum combination of loans and grants per project - \$10 million

- A. The money in the SPWF shall be used primarily to fund loans for infrastructure projects. Grants will only be awarded when there are insufficient funds from all other available sources for repayment of a loan. Other sources will include, but are not limited to, Local Improvement Districts, system development charges, user fees, land sales, and revenue bonds. All applicants must prove the need for less than a 100% loan of SPWF moneys for the project.

In any case, IRD must maintain a 50%/50% split between grants and loans awarded--IRD may not award more than 50% of the SPWF in the form of grants. Additional information on SPWF loans is presented in Appendix D.

- B. The loan term cannot exceed 20 years or the usable life of the project, whichever is less. A 25 year term may be approved under special circumstances.
- C. The interest rate will be determined by IRD; it will not be less than 5 percent. It is IRD's intention to structure the interest rate slightly below the current rate for municipal bonds.
- D. Other conditions applicable to loans, grants and bonds may be developed by IRD.

VII. APPLICATION INFORMATION

- A. Applications will be accepted according to the following schedule:

December 1 - 12, 1986 - no later than 5:00 p.m. December 12th.

Phase I Infrastructure construction applications.

Technical Assistance project applications.

March 31, 1987 - no later than 5:00 p.m. March 31st.

Phase II Infrastructure construction applications.

B. Funding decisions will be announced as follows:

February 20, 1987

1. All Technical Assistance awards.
 2. Construction projects--preliminary Funding List of municipalities from whom Phase II applications will be invited. Final awards will be announced after negotiations with the individual jurisdictions, but no later than May 31, 1987.
- C. Applications for infrastructure projects are divided into two types--construction and technical assistance. There is a separate application form for each type. Construction projects and technical assistance project applications will be rated and ranked separately.
- D. Construction project applications will be processed in two phases. All eligible municipalities may submit Phase I applications. Only those applications which, after rating and ranking, are placed on the preliminary funding list will be invited to submit a Phase II application.

The Phase I application will be used by IRD to prioritize applications according to which projects will best meet the statutory objectives. The Phase I rating and ranking process will not consider project finances as criteria for creating the preliminary funding list.

After rating and ranking the Phase I applications, a preliminary funding list will be developed for recommendation to the Public Works Advisory Committee. This list will take into account the amount of SPWF funds available for distribution in grants and loans, the amount of SPWF assistance requested by municipalities, and the statutory requirement to award no less than 33% of the available funds to non-urban projects and no less than 33% of the available funds to urban projects.

The Phase II application will require municipalities to provide detailed information about the financial and engineering feasibility of their projects. Projects will be denied a final funding award if it is determined that information provided in the Phase I application is significantly incorrect, the project finances cannot be negotiated to agreement with IRD, significant changes have occurred since the Phase I application was submitted, or if IRD cannot make the set of findings required in the statute.

E. For infrastructure construction projects, application requirements will include:

1. Description of the nature and purposes of the proposed infrastructure project, including the need for the project and the reasons why the project is in the public interest. The description shall include evidence that the project meets the "Threshold criteria" outlined in part "A" of section "X" of this handbook.
2. Project feasibility information including:
 - a. Maps showing the location of the project;
 - b. List of owners and map of properties which will be specially benefitted by the project;
 - c. Adopted plan maps for the project area;
 - d. Preliminary engineering drawings of the project, bearing a registered engineer's stamp;
 - e. Discussion of project alternatives and a demonstration that the proposed project is the most cost effective;
 - f. Detailed project cost estimate;
 - g. Detailed description of project finances by funding source, including an analysis of funds proposed for repayment of the SPWF loan;
 - h. Project budget;
 - i. Explanation of why SPWF funds are needed for the project and a description of what other sources of financing have been sought;
 - j. For projects involving Local Improvement Districts (LID's) as a means of repaying SPWF loans, information on the unit cost, properties subject to the special assessment, property owners, the method of assessment, and the rate of interest to be charged the benefitted property owners.

This information will, in large part, be submitted as part of the Phase II application.

3. The Phase I application form will require documentation that the proposed project is consistent with the local comprehensive plan and zoning ordinance, as well as information about the status of any required special use permits and land use processes.

F. Technical Assistance applications will be judged as a group and will require submission of only one application form.

- G. For technical assistance (TA) projects, application requirements will include:
1. Description of the nature and purpose of the proposed technical assistance project, including the need for the TA project and the reasons why the TA project is in the public interest. The description shall include evidence that the infrastructure being addressed by the TA project meets the threshold criteria outlined in Section X of this handbook.
 2. Project budget and timeline. The amount of the TA grant request may not exceed 85% of the total TA project cost.
- H. Municipalities may apply for projects located inside their jurisdiction that are also within the jurisdiction of another municipality, e.g.) a county application for a project within a city's boundaries, provided that an intergovernmental cooperation agreement is signed by both municipalities.
- I. Applications may only be made on the State of Oregon Community Development Program Public Works application forms, on a clear copy or an exact reproduction of the forms. Application forms must be completely filled out as directed. Applications must be endorsed by the governing body of the applicant and signed by the highest elected official or another official, if formally authorized. Endorsement of the governing body can be evidenced with signatures of the elected officials, resolutions, or minutes of meetings where the application submission was approved. Application forms must be received during the application period specified by IRD. Application acceptance letters will be mailed to all applicants.
- J. An applicant may apply for one project per funding round. An applicant may be awarded funding for no more than one project per year. Excepted from these limits are those municipalities eligible for technical assistance grants that may apply for both a technical assistance and a construction project in any one funding round and may be awarded funding for both a TA and a construction project in any one year. Excepted also are applications by counties on behalf of county sewer districts organized under ORS Chapter 450 or 451. In other words, in addition to one application for the county itself, a county may submit one application on behalf of each sewer district (for a sewer project only) in that county and may receive funding, in any one year, for one county project and each sewer district project.
- K. Each applicant must hold at least one public hearing on each application proposed to be submitted. Local public notice must be given through the news media customarily used within the community by the applicant for printing public hearing notices. At a minimum, the public hearing notice must explain the purpose of the hearing and must be printed in a local newspaper of general circulation at least 10 days prior to the date of the hearing. If public hearing notices are also customarily posted in the community then this procedure also should be followed for hearings on proposed applications. Minutes of the public hearing must accompany the application.

VIII. APPLICATION PROCEDURE

- A. Applicants must submit an original and two copies of all applications to the Oregon Community Development section of IRD and eight copies to the Intergovernmental Review Clearinghouse of IRD.

Applications must be signed by the highest elected official.

- B. Applications will be assigned to a staff member and reviewed for completeness and threshold criteria. If an applicant has unresolved audit findings from previous loans or grants, or if there is a record of poor performance in implementing other projects, IRD reserves the right to deny funding. The State will consider the capability of all participating private parties to complete the project within the proposed time schedule. Proposals will not be considered if they involve lengthy start-up time, or if they may be subject to major obstacles due to land use, environmental or legal concerns.

- C. Upon receipt of an application, IRD shall determine whether the application is satisfactory. If it is determined to be unsatisfactory, IRD may:

- Reject the application.
- Require additional information.
- Make, with the agreement of the municipality, such revisions as it considers necessary to make the plans for the proposed project satisfactory.

- D. Prior to rating and ranking, IRD staff will make every effort to visit the project site of each applicant, with the possible exception of Technical Assistance projects. Site visits will be used to verify application information and may offer additional evidence for rating projects.

- E. Applications will be rated and ranked by the staff.

- F. The Special Public Works Advisory Committee will review the rating and ranking procedure. The ranking will be forwarded to the Administrator of IRD.

- G. Funding decisions and announcement of awards will be made by the Administrator.

- H. IRD will notify applicants of their funding status approximately 60 days after the closing date for applications as follows:

Infrastructure construction projects. On or about February 20, 1987, IRD will notify all municipalities whose projects have been placed on the preliminary funding list and will invite submission of the Phase II application from each one. The Phase II applications must be received by IRD by 5:00 p.m. March 31, 1987.

Following receipt and review of the Phase II applications, IRD will enter into separate negotiations with each municipality to reach agreement on a contract for the SPWF award and project.

Technical Assistance projects. IRD will notify each municipality whose TA project has been selected for funding. A grant contract and budget form subsequently will be sent to each of these municipalities.

Unfunded projects (TA & construction). All other municipalities will receive a notice from IRD that their projects have not been selected for funding.

IX. PROGRAM INFORMATION

- A. Projects with overlapping municipal boundaries must have a cooperation agreement.
- B. The length of a project may not exceed two years.
- C. All projects must be consistent with local comprehensive plans and ordinances.
- D. Applicants must comply with all state regulations and requirements (Example: Oregon Prevailing Wage Rates.)
- E. A Special Public Works Advisory Committee will assist and advise IRD in the administration of this program with special emphasis on rules, policies and general evaluation of the performance of the program. It is not the role of the Advisory Committee to rate and rank applications.
- F. Appeals of local government decisions must be made at the local level. The IRD Administrator will consider appeals of IRD funding decisions only when project rating and ranking are at issue. Only the applicant may appeal. Appeals must be submitted in writing to IRD within 30 days of notification of funding status. An application which would have been funded but for a technical error in ranking will be funded as soon as sufficient Public Works funds become available, providing the situation which prompted the application still exists.
- G. Contracts must be signed by the highest elected official and returned to IRD within 60 days of receipt of contract documents.
- H. Recipients will be monitored by IRD and must maintain records sufficient for monitoring. A project management handbook will be provided to each recipient to guide their recordkeeping and reporting activities.
- I. Program amendments must have prior approval of IRD if they change the cost, scope, location, objectives, or time frame of the approved activities or beneficiaries. Failure to gain prior approval for amendments may result in sanctions.

Amendments which affect the project rating under the original selection criteria will be re-rated and re-ranked. The amendment must rate equal to or greater than the lowest rating received by a funded project during that cycle of ratings; an additional public hearing may be required.

- J. Audits must be conducted in compliance with Oregon Municipal Audit Law (ORS 194 et seq). Audits must roll previous project expenditures.
- K. The Administrator of IRD may waive non-statutory requirements.
- L. Recaptured funds are those which are returned to the State through closeout of the project, termination for cause, or other means. Funds recaptured will be added to the Special Public Works Fund and dispersed through the regular award process.
- M. Any money not used for approved project activities must be returned to the State.
- N. IRD will not increase project awards to cover project cost overruns or contingencies. Contingency allowances may be included in the project budget, but must be provided for with funds other than the requested SPWF loan or grant moneys.
- O. Sanctions

The State may:

- bar a recipient from applying
- revoke the award
- withdraw unallocated funds or other state funds (such as state shared revenue)
- require return of unexpended funds
- require repayment of expended funds.

The sanctions may be invoked if any of the following conditions are applicable:

1. None of the project activities have begun within six months after award; or
2. Private party agreement is not legally binding within six months of the award; or
3. State statutory regulations have not been met; or
4. There is a significant deviation from the contract funded activities; or
5. IRD has found that significant corrective actions are necessary to protect the integrity of the project funds, and those corrective actions are not, or will not be, made within a reasonable time.
6. Recipients default on loan or bond payments in this program.

No action will be taken by the State until the recipient has been notified in writing and has been given a reasonable time to respond and correct the deficiencies noted.

Additional sanctions will be included in all security investments.

X. SELECTION PROCESS

Awards will be made on a competitive basis.

Thirty-three percent of the monies are available for urban projects. Thirty-three percent of the monies are available for nonurban projects. The remaining thirty-four percent of the monies will fund the strongest projects in either category. Urban and nonurban infrastructure projects are defined in ORS 284.310 as follows:

"(9) Urban infrastructure projects" includes all those located in whole or in part in the urbanized portion of a metropolitan statistical area, as designated by the United State Census Bureau.

"(10) Nonurban infrastructure projects" include all those not located in whole or in part in the urbanized portion of a metropolitan statistical area."

Appendix C provides additional information for use in determining and documenting whether a project is "urban" or "nonurban."

If a sufficient number of strong applications are not received in a particular category, in any funding round, IRD reserves the right to hold the remaining funds for the next funding round.

A. Threshold criteria - IRD must find that:

1. The proposed infrastructure project is feasible, and adequate provision has been made for the repayment of any bonds or loans provided for the project;
2. The municipality is willing and able to enter into a contract with IRD for repayment of loans and/or bonds;
3. The municipality can and will provide as part of the security for repayment of loans or bonds made available through this program, provisions for payments from any owners of property specially benefitted by the infrastructure project which are sufficient, when considered with other security, to assure repayment of bonds and loans made available through this program;
4. The applicant must ensure that additional resources needed to complete the project are available or will be made available. If the latter, then the award will be conditional.

5. The proposed infrastructure project is situated in an area in which economic development is prevented or substantially restricted by a lack of adequate sewage treatment works, solid waste disposal sites, water supply works, roads, public transportation or other facilities that comprise the physical foundation for industrial and commercial activity;
6. A high probability exists for industrial or commercial development, or both, of the properties served by the infrastructure project. The application should describe what other site and community advantages are present and that there have been inquiries and private interest in developing the land served by the project.
7. The proposed infrastructure project is situated in a city or county with a comprehensive land use plan that allows industrial and commercial development of a type and scale that is sufficient to repay the cost of the project;
8. The applicant must have, or demonstrate ability to secure, the administrative capacity to undertake and complete the project.
9. The applicant must certify it will comply with all state regulations and requirements.

- B. Competitive Criteria for both Infrastructure Construction and Technical Assistance Projects (See Explanation of Competitive Criteria following this section)

SELECTION CRITERIA FOR CONSTRUCTION PROJECTS

PROBABILITY OF SUCCESSFUL JOB CREATION

Firm Business Commitment-up to 400 points

Point range: 100, 150, 200, 250, 300, 350, 400

Factors considered in assigning points:

1. Number of family wage jobs to be created and/or retained.
2. Provision of local jobs: primary utilization by the business(es) of members of the local labor force as opposed to bringing in workers from other areas in the state or from out-of-state locations.
3. Links of the committed business(es) to state educational institutions, including job training resources such as the Job Training Partnership Act (JTPA) program.

4. Commitment of small businesses (less than 50 employees) to the project.
5. Commitment by certified minority or women-owned businesses to the project.
6. Commitment by a firm whose product is or will be marketed to national and/or international customers.
7. Description of the firm's product and market.
8. Strength of the link between the committed business(es) and the proposed infrastructure project.
9. For single industry dependent communities, the degree to which the project and committed firm(s) will diversify the local economy.
10. Readiness to proceed.
11. The municipality lacks one or more types of infrastructure in the project area which are needed to support development.

High Probability of Success-up to 300 points

Point range: 75, 150, 225, 300

Factors considered when assigning points:

1. Level of recent interest in the project benefit area (such as evidenced in letters of inquiry).
2. Local organization to market the project benefit area and evidence of local support for the project.
3. Site advantages (e.g., location, existing utilities, other existing businesses, etc.).
4. Community advantages (e.g., local labor force characteristics, proximity to job training and other educational facilities, cultural inducements, recreational opportunities, etc.).
5. For single industry dependent communities, the probability that future development of the project benefit area will diversify the local economy.
6. Readiness to proceed.
7. The municipality lacks one or more types of infrastructure in the project area which are needed to support development.

Municipal Need

1. Property tax burden-up to 50 points

Point range: 13, 25, 37, 50

2. Population Change (1981-85)-up to 50 points

Point range: 13, 25, 37, 50

3. Unemployment Rate-up to 50 points

Point range: 13, 25, 37, 50

Leverage: commitment of resources in addition to the requested SPWF grant and loan monies (expressed in a percentage). Up to 50 points.

Point range: 13, 25, 37, 50

MAXIMUM POSSIBLE POINTS:

Projects with Firm Business Commitments: 600 points

Projects with a High Probability of Success: 500 points

EXPLANATION OF COMPETITIVE CRITERIA

Construction projects

Note: Some concepts to be used in rating projects are common to both Firm Business Commitment and High Probability of Success projects. These concepts are presented after the explanation of Part D, Leverage.

A. FIRM BUSINESS COMMITMENT

In order to be ranked as a Firm Business Commitment application, the applicant first must demonstrate that at least 1 job will be created or retained for every \$20,000 of SPWF assistance being requested. If this test cannot be met, the application will be rated as a High Probability of Success project using that set of criteria and points.

In addition, firm business commitment applications must be accompanied by a letter from each committed business stating its intent to create or retain jobs by staying, locating, or expanding in the project area within the project period if the infrastructure project is constructed.

Demonstration of a Firm Business Commitment requires responses to all of the items on the application form. Points assigned will vary according to the degree to which the project meets the various rating factors. Because of the varying nature of projects and municipalities, specific points are not assigned to each of the rating factors under this category.

Family Wage Jobs. The family wage level is defined as 80% of the median income for a family of two in the county in which most of the prospective or existing employees live. Appendix B provides the wage information to be used in preparing the application.

Local Jobs. Created and/or retained jobs which primarily will be available to residents of the local area will receive more favorable consideration during project rating than those created by firms who will bring most employees into the area from another in-state or out-of-state location.

Link between committed firm and the project. Applications which demonstrate a strong tie between the infrastructure project and the commitment of the firm to locate or expand in the project benefit area will be more favorably considered when assigning points than those where the link is weak.

B. HIGH PROBABILITY OF SUCCESS

Demonstration of a High Probability of Success requires responses to all of the items on the application form and serious attention to the rating factors. Points assigned will vary according to the degree to which the project meets the various rating factors. Because of the varying nature of projects and municipalities, specific points are not assigned to each of the rating factors under this category.

Recent interest in the public benefit area. Recent, specific interest in the project area as demonstrated in letters of inquiry from prospective businesses or evidence of serious discussion with prospective new firms is preferable to letters and evidence of a more general nature. More recent material will be considered more favorably.

Local marketing organization or efforts. The ability of the local community to market itself, its products, and the project benefit area will be considered. Infrastructure projects and their benefitted areas which have received specific support in local economic development plans or programs will be considered more favorably than those which have not.

C. MUNICIPAL NEED

For each item in this category, points are assigned by IRD using a modified quartile system. First, raw data for each applicant municipality are arranged in numerical order. Next, the data is separated into four groups. Then, points are assigned to each group using the point ranges indicated. Projects are assigned points according to the point group in which the municipality falls.

1. Property tax burden.

1985-86 or 1986-87 (if available) consolidated property tax rates will be used. For municipalities other than cities or counties, the consolidated tax rate for the most relevant city or county (one whose boundary includes all or part of the applicant municipality) will be used. Relatively higher consolidated rates will be awarded more points.

Data Source: State Department of Revenue and/or County Assessors.

2. Population Change 1981-1985.

Declining and slower growth rates will receive more points than relatively higher growth rates.

Data source: Portland State University Center for Population Research and Consensus.

3. Unemployment Rate

County level information will be used, except in cases where unemployment is reported only at a regional level. The most current annualized information available on December 31, 1986 will be used. Higher unemployment rates will be assigned more points than relatively lower rates.

Data Source: Oregon Employment Division

D. LEVERAGE

Points for committed leverage will be calculated in the same manner as the above municipal need criteria. Leverage consists of resources, whether cash or inkind, which are pledged to the project from sources other than the Special Public Works Fund and which will be spent during the two year project period (two years from the date of funding award). Repayment of the SPWF loan will not be considered part of the Leverage. A dollar amount must be calculated for specific inkind contributions, whether for material or labor, in order to be considered in this calculation.

E. COMMON CONCEPTS

Project benefit area. The geographic area which includes properties that will be specially benefitted by the infrastructure project.

Readiness to proceed. Projects which will require comprehensive plan amendments, zone changes, or other land use actions requiring additional hearings and reviews at the local and/or state level will be considered less favorably than those which can begin as soon as a contract is signed with IRD. Projects which will be delayed in starting due to the need to form Local Improvement Districts, to hold bond elections, or to secure the commitment of other funds also will be considered less favorably than those whose financial arrangements are well-thought out at the time of application.

Conditional awards of SPWF funds can be made, however, for projects which are dependent on successful local bond elections for leveraged or loan repayment funds.

SELECTION CRITERIA--TECHNICAL ASSISTANCE PROJECTS

A. Projects meets statutory objectives-up to 50 points

Point range: 13, 25, 37, 50

B. Recent interest in the project benefit area-up to 50 points

Point range: 13, 25, 37, 50

C. Leverage of other funds-up to 25 points

Point range: 13, 25

D. Local marketing organization and efforts-up to 25 points

Point range: 13, 25

E. Municipal Need

1. Tax Burden-up to 25 points

Point range: 13, 25

2. Population Change 1981-85-up to 25 points

Point range: 13, 25

3. Unemployment-up to 25 points

Point range: 13, 25

MAXIMUM POSSIBLE POINTS: 225

EXPLANATION OF COMPETITIVE CRITERIA

Technical Assistance Projects

A. Project meets statutory objectives--for this factor, points will be assigned according to how well the proposed project addresses the objectives for the SPWF program provided in the statute (ORS 284.340). The narrative describing the project should address as many of the objectives as appropriate, in terms of the subject infrastructure project itself, rather than the TA project.

B. Recent interest in the project benefit area--see explanation for this factor under High Probability of Success, above.

C. Leverage of other funds--see explanation for leverage for construction projects.

D. Local marketing organization and efforts--see explanation for this factor under High Probability of Success, above.

E. Municipal Need criteria--see explanation for assignment of points and data sources to be used under the explanation for construction projects, above.

qualified during the third fiscal year following the calendar year in which application is made;

(d) 40 percent of the additional taxes calculated under ORS 284.240 if the property is disqualified during the fourth fiscal year following the calendar year in which application is made; or

(e) 20 percent of the additional taxes calculated under ORS 284.240 if the property is disqualified during the fifth fiscal year following the calendar year in which application is made.

(2) If the owner fails to give the notice required by subsection (1) of this section, upon discovering the property no longer qualifies for the exemption due to a circumstance described in subsection (1) of this section the assessor shall:

(a) Compute the amount of taxes, penalty and interest described in subsection (1) of this section as though notice had been given, and shall add to that amount an additional penalty equal to 20 percent of the total amount so computed; and

(b) Add the property to the tax roll without the exemption as if the notice had been given.

(3) The amount determined to be due under subsection (1) or (2) of this section:

(a) May be paid to the tax collector before completion of the next general property tax roll pursuant to ORS 311.370; and

(b) Shall be added to the tax extended against the land on the next general property tax roll to be collected and distributed in the same manner as the remainder of the property taxes.

(4) The assessor shall at all times be authorized to demand and receive reports by registered or certified mail from owners of property exempt under ORS 284.210 (1) to (5) as to the use of the same. If the owner shall fail, after 90 days' notice in writing by certified mail to comply with such demand, the assessor may immediately remove the exemption, give written notice to the granting authority of the removal and apply the penalties provided in this section.

(5) The Department of Revenue of the State of Oregon shall make such rules consistent with this section, ORS 284.210 (1) to (5) and 284.240 as shall be necessary or desirable to permit its effective administration. [1985 c.807 §13b]

284.260 Short title. ORS 284.110 to 284.260 shall be known and may be cited as the Oregon Enterprise Zone Act. [1985 c.807 §1]

INFRASTRUCTURE PROJECTS

284.310 Definitions for ORS 284.310 to 284.530. As used in ORS 284.310 to 284.530, unless the context requires otherwise:

(1) "Division" means the Intergovernmental Relations Division of the Executive Department.

(2) "Municipality" means a city, a county, a port incorporated under ORS 777.010 and 777.050, the Port of Portland created by ORS 778.010, a metropolitan service district organized under ORS chapter 268 or a domestic water supply district organized under ORS chapter 264.

(3) "Infrastructure project" means:

(a) A project for the construction of sewage treatment works, solid waste disposal sites, water supply works, roads, public transportation or other facilities that comprise the physical foundation for industrial and commercial activity.

(b) A project, in cooperation with the Department of Transportation, for the acquisition, reconstruction, rehabilitation, operation and maintenance of an abandoned railroad line or railroad line that has been designated by the owner and operator thereof as subject to abandonment within a three-year period pursuant to federal law and regulations governing abandonment of common carrier railroad lines.

(c) A project for the construction or improvement of facilities owned by any county fair located in a county having a population of less than 400,000 or owned by those special events described in ORS 462.280 (1)(e)(A) to (H).

(d) An urban center development project.

(e) A project to improve the commercial value of timber located on state-owned lands.

(4) "Public transportation" includes public depots, public parking, public docks, public wharves, railroads and airport facilities.

(5) "Roads" includes:

(a) Ways described as streets, highways, throughways or alleys;

(b) Road related structures that are in the right of way such as tunnels, culverts or similar structures; and

(c) Structures that provide for continuity of the right of way such as bridges.

(6) "Sewage treatment works" includes all facilities necessary for collecting, pumping, treating and disposing of sanitary or storm sewage.

(7) "Solid waste disposal site" has the meaning given to the term "disposal site" by ORS 459.005 (8).

(8) "Water supply works" includes all facilities necessary for tapping natural sources of domestic and industrial water, treating and protecting the quality of the water and transmitting it to the point of sale to any public or private

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agency for domestic, municipal and industrial water supply service.

(9) "Urban infrastructure projects" includes all those located in whole or in part in the urbanized portion of a metropolitan statistical area, as designated by the United States Census Bureau.

(10) "Nonurban infrastructure projects" includes all those not located in whole or in part in the urbanized portion of a metropolitan statistical area. [1985 c.776 §2]

284.320 Legislative findings. (1) The Legislative Assembly finds that the improvement, expansion and new construction of the state's sewage treatment works, water supply works, roads and public transportation provides the basic framework for continuing and expanding economic activity in this state, thereby providing jobs and economic opportunity for the people of Oregon.

(2) Since municipalities in this state often suffer from a lack of available financing for such projects, it is the purpose of ORS 284.310 to 284.530 to provide financial assistance in order that they may construct, improve and repair those facilities that are essential for supporting continuing and expanded economic activity. It is the intent of the Legislative Assembly, by providing that assistance, to stimulate industrial growth and commercial enterprise and to promote employment opportunities in Oregon. [1985 c.776 §1]

284.330 Allowable project costs. (1) For purposes of ORS 284.310 to 284.530, the total project costs of an infrastructure project do not include costs for preliminary planning or legal, fiscal and economic investigations, reports and studies to determine the economic and engineering feasibility of the project. Such planning costs shall be borne in their entirety by the municipality.

(2) The engineering and architectural reports, studies, surveys, designs, plans, working drawings and specifications necessary in the construction of the infrastructure project shall be eligible for financial assistance under ORS 284.310 to 284.530, including technical assistance grants as specified in ORS 284.460 (1)(d). Proposals for technical assistance grants shall be processed under ORS 284.340, 284.360 to 284.400, 284.420 and 284.440 in the same manner as other project proposals. [1985 c.776 §2a]

284.340 Criteria for project priority; Intergovernmental Relations Division as administrator. (1) With the advice of the Spe-

cial Public Works Advisory Committee, the Intergovernmental Relations Division of the Executive Department shall adopt rules and policies for the administration of the Special Public Works Fund. Insofar as practicable, the division's rules shall provide that infrastructure projects that meet the following criteria receive priority for financial assistance:

(a) Support projects that will increase the number of family wage jobs in this state.

(b) Promote economic recovery in small cities heavily dependent on a single industry.

(c) Emphasize development in underdeveloped rural areas of this state.

(d) Utilize the educational resources available at institutions of higher education.

(e) Support the development of the state's small businesses, especially businesses owned by women and members of minority groups.

(f) Encourage the use of Oregon's human and natural resources in endeavors which harness Oregon's economic comparative advantages.

(g) Encourage projects that assist businesses selling goods and services in markets for which national or international competition exists.

(2)(a) The Intergovernmental Relations Division shall manage the Special Public Works Fund and any expenditures from its accounts and transfers between its accounts so as to retain not less than 26 percent of the initial value of amounts appropriated to the fund. The division may not reduce the value of the fund to less than 50 percent of the initial value of amounts appropriated to the fund unless the administrator of the division finds that:

(A) The division has operated a loan program for not less than six months; and

(B) Insufficient approvable applications have been submitted to fully utilize available loan funds.

(b) The division shall determine the value of the fund by summing the value of the fund's short term net assets and long term net assets. Short term assets and liabilities shall be valued at cost. Long term assets and liabilities shall be valued at their net present value using an interest rate of five percent.

(c) The division shall quarterly certify the value of the fund to the State Treasurer and to the Legislative Committee on Trade and Economic Development.

(d) If necessary to insure repayment of bonds issued under this Act, the Intergovernmental Relations Division is authorized to reduce the

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value of the fund to less than the limit provided in paragraph (a) of this subsection if the division:

(A) Finds that without such a reduction in fund value, bonds secured by the fund will be in default;

(B) Transfers all available funds in the grant and loan accounts to the debt service account; and

(C) Imposes a moratorium on all expenditures from the grant and loan accounts until the requirements of paragraph (a) of this subsection are met.

(3) Not more than 100 percent of the total cost of any infrastructure project shall be financed from the Special Public Works Fund.

(4)(a) The Intergovernmental Relations Division may, in a periodic competitive evaluation process, obligate during each year to specific projects not more than 75 percent of the moneys in the Special Public Works Fund.

(b) The Intergovernmental Relations Division shall reserve not more than 25 percent of the moneys in the Special Public Works Fund for infrastructure projects related to specific proposed private development or expansion opportunities that were not available at the time of any preceding competitive evaluation. These funds may be transferred to the Economic Development Department for allocation. Expenditures under this paragraph shall not be subject to the limitations of subsection (2) of section 23, chapter 776, Oregon Laws 1985.

(c) Any funds not expended from moneys reserved under paragraph (b) of this subsection shall be available for competitive allocation in the subsequent competitive allocation process.

(5) The division may commit moneys in the Special Public Works Fund or reserve future income to the fund for dispersal in future years under ORS 284.400 (4). The division shall commit or reserve moneys under this subsection only after:

(a) Allowing for contingencies; and

(b) Finding that there will be sufficient unobligated net income to the fund to make such future payments. Such a finding shall be based on financial plans which are consistent with the financial requirements of subsections (2) and (4) of this section.

(6) In assisting local governments with infrastructure projects, the division shall cooperate to the maximum extent possible with other state agencies financing infrastructure projects, including but not limited to the Department of

Environmental Quality, the Water Resources Department and the Department of Transportation. [1985 c.776 §4]

284.350 Eligibility of certain municipal corporations. Notwithstanding ORS 284.310 (2), a county service district established under ORS chapter 451, a mass transit district organized under ORS 267.010 to 267.390 and a transportation district organized under ORS 267.510 to 267.650 shall be considered a municipality for the purpose of receiving financial assistance under ORS 284.310 to 284.530 for an infrastructure project defined in ORS 284.310 (3)(b). [1985 c.776 §2b]

284.360 Application for funds. (1) Any municipality may file an application with the division to obtain financial assistance from the Special Public Works Fund. The application shall be filed in such manner and contain or be accompanied by such information as the division may require.

(2) In addition to other requirements prescribed by the division, an application filed under this section shall:

(a) Describe the nature and purposes of the proposed infrastructure project, including the need for the project and the reasons why the project is in the public interest.

(b) Set forth or be accompanied by a feasibility study of the proposed infrastructure project and an estimate of the costs of construction.

(c) State whether any moneys other than those in the Special Public Works Fund are proposed to be used for the infrastructure project and whether any other moneys are available or have been sought for the project. [1985 c.776 §5]

284.370 Review of feasibility study.

Upon receipt of an application filed as provided in ORS 284.360, the division shall determine whether the feasibility study set forth in or accompanying the application is satisfactory, and if the division determines that it is not satisfactory it may:

(1) Reject the application;

(2) Require the municipality to submit additional information as may be necessary; or

(3) Make, with the agreement of the municipality, such revisions of the feasibility study as it considers necessary to make the plans for the proposed project satisfactory. [1985 c.776 §6]

284.380 Application approval. The division shall not approve financial assistance from the Special Public Works Fund for an infrastructure project proposed in an application

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filed under ORS 284.360 unless, after investigation, the division finds that:

(1) The proposed infrastructure project is feasible, and adequate provision has been made for the repayment of any bonds or loans provided for the project;

(2) The proposed infrastructure project is situated in an area in which economic development is prevented or substantially restricted by a lack of adequate sewage treatment works, solid waste disposal sites, water supply works, roads, public transportation or other facilities that comprise the physical foundation for industrial and commercial activity;

(3) The proposed infrastructure project is situated in a city or county with a comprehensive land use plan that allows industrial and commercial development of a type and scale that is sufficient to repay the costs of the project;

(4) A high probability exists for industrial or commercial development, or both, of the properties served by the infrastructure project;

(5) The municipality has provided as part of the security for repayment of loans or bonds made available through ORS 284.310 to 284.530, provisions for payments from any owners of property specially benefited by the infrastructure project which are sufficient when considered with other security to assure repayment of bonds and loans made available through ORS 284.310 to 284.530;

(6) Moneys in the appropriate accounts of the Special Public Works Fund are or will be available for the infrastructure project;

(7) The municipality is willing and able to enter into a contract with the division for repayment as provided in ORS 284.390 (1)(a) to (e); and

(8) The proposed infrastructure project is consistent with rules adopted under ORS 284.340. [1985 c.776 §7]

284.390 Contract with municipality.

(1) If the division approves financial assistance from the Special Public Works Fund for an infrastructure project, the division, on behalf of the state, and the municipality may enter into a contract of not more than \$10 million, which shall set forth, among other matters:

(a) An estimate of the reasonable cost of the infrastructure project.

(b) An agreement by the municipality to proceed expeditiously with, and complete, the project in accordance with plans reviewed and approved by the division.

(c) None of the financial assistance provided by the state shall be used for administrative purposes by the municipality.

(d) A statement that the liability of the state under the contract is contingent upon the availability of moneys in the Special Public Works Fund for use in the infrastructure project.

(e) Such other provisions as the division considers necessary to insure expenditure of the moneys for the purposes set forth in the approved application.

(2) When the division approves financial assistance under ORS 284.310 to 284.530 for an infrastructure project, the division shall pay moneys for the project from the Special Public Works Fund in accordance with the terms of the contract. [1985 c.776 §§8, 9]

284.400 Maximum amounts of grants; standards. (1)(a) The maximum amount of any grant to a municipality made from the Special Public Works Grant Account under ORS 284.340 (4)(a) shall not exceed \$1 million.

(b) The maximum amount of any grant to a municipality made from the Special Public Works Grant Account under ORS 284.340 (4)(b) shall not exceed \$4 million.

(2) No grant to a municipality shall be made for a project in an amount that exceeds 85 percent of total project costs.

(3) The division shall develop standards for determining the maximum proportion of any project which can be funded by grants. Such standards shall at a minimum provide grants equalling a larger percentage of total project costs for municipalities with greatest economic need.

(4) A grant contract under ORS 284.390 (1)(a) to (e) and this section may provide for grants on behalf of the municipality on an annual basis in the form of partial repayment to bondholders of amounts owed them. In such cases, the contract shall provide that moneys are or will be available in the Special Public Works Grant Account for such annual payments and for the transfer of moneys from the Special Public Works Grant Account to the Special Public Works Debt Service Account to make such payments. [1985 c.776 §14]

284.410 Conditions for loans or purchase of municipal bonds. Any contract under ORS 284.390 (1)(a) to (e) that includes provisions for a loan of state moneys to a municipality or the purchase of a bond of a municipality by the state shall include:

(1) An acknowledgment by the municipality that repayment of the loan is an obligation of the municipality.

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(2) A plan for repayment by the municipality of moneys borrowed from the Special Public Works Fund for an infrastructure project and interest on those moneys at a rate specified in the contract. The repayment plan:

(a) Shall provide for such evidence of debt assurance of, and security for, repayment by the municipality as is considered necessary by the division.

(b) Shall set forth the allocation of special assessments or contractual responsibility among the owners of benefited properties for repayment to the municipality of the amount of the loan.

(c) Shall provide for repayment during a period which shall not exceed the usable life of the proposed project or 25 years, whichever is less. [1985 c.776 §12]

284.420 Effect of failure to comply or default. (1) If a municipality fails to comply with a contract entered into under ORS 284.310 to 284.530, the division may seek appropriate legal remedies to secure any repayment due the Special Public Works Fund. If any municipality defaults on payments due to the Special Public Works Fund under ORS 284.310 to 284.530, the State of Oregon may withhold any amounts otherwise due to the municipality to apply to the indebtedness.

(2) Moneys withheld under subsection (1) of this section shall be deposited in the Special Public Works Fund and shall be used to repay any account in the fund from which funds were expended to pay obligations upon which the municipality defaulted. [1985 c.776 §10]

284.430 Information required if project financed from lottery proceeds. Any economic development program financed with proceeds from the state lottery authorized by section 4, Article XV of the Oregon Constitution shall have displayed conspicuously on the site or as part of the program information specifying that the program is being financed by the state lottery. [1985 c.776 §22]

284.440 Special Public Works Fund; uses; advisory committee. (1) There is created the Special Public Works Fund. All moneys credited to the Special Public Works Fund are appropriated continuously and shall be used for the purposes outlined in ORS 284.310 to 284.530. The Special Public Works Fund shall consist of the Special Public Works Loan Account, established by ORS 284.450, the Special Public Works Grant Account, established by ORS 284.460, the Special Public Works Debt Service Account, established by ORS 284.470 and the Special Pub-

lic Works Security Reserve Account, established by ORS 284.480.

(2) Moneys in the Special Public Works Fund, with the approval of the State Treasurer, may be invested as provided by ORS 293.701 to 293.776, 293.810 and 293.820 and the earnings from such investments shall be credited to the appropriate account in the Special Public Works Fund.

(3) The Intergovernmental Relations Division of the Executive Department shall be the agency for the State of Oregon for the administration of the Special Public Works Fund.

(4) There is created the Special Public Works Advisory Committee to assist and advise the Intergovernmental Relations Division in the administration of the Special Public Works Fund. The assistance and advice of the advisory committee shall consist of but not be limited to advice on rules and policies and general evaluation of the performance of the program. The advisory committee shall consist of local government officials, representatives of the banking community and other representatives of the private sector. The committee members shall receive compensation for their expenses in attending meetings. [1985 c.776 §3]

284.450 Special Public Works Loan Account; uses; sources. (1) There is established in the Special Public Works Fund the Special Public Works Loan Account. All moneys in the Special Public Works Loan Account are continuously appropriated to the Intergovernmental Relations Division of the Executive Department for the following purposes:

(a) Administrative expenses of the division in processing applications and investigating proposed infrastructure projects, not to exceed four percent of the value of loans made in that biennium.

(b) Loans to municipalities under ORS 284.310 to 284.530.

(c) Purchase of bonds issued by municipalities which coincide with the purposes and requirements of ORS 284.310 to 284.530.

(d) Transfers to the Special Public Works Debt Service Account, the Special Public Works Grant Account and the Special Public Works Security Reserve Account.

(2) The Special Public Works Loan Account shall consist of:

(a) Moneys appropriated to the account by the Legislative Assembly.

(b) Repayment of loans to municipalities made under ORS 284.310 to 284.530, including interest on such moneys.

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(c) Proceeds from the sale of bonds authorized under ORS 284.310 to 284.530.

(d) Transfers from the Special Public Works Grant Account, the Special Public Works Debt Service Account and the Special Public Works Security Reserve Account.

(e) Repayment of moneys, from any source, of moneys expended from the account to pay obligations upon which a municipality defaulted.
[1985 c.776 §11]

284.460 Special Public Works Grant Account; uses; sources. (1) There is established in the Special Public Works Fund the Special Public Works Grant Account. All moneys in the Special Public Works Grant Account are continuously appropriated to the Intergovernmental Relations Division of the Executive Department for the following purposes:

(a) Administrative expenses of the division in processing applications and investigating proposed infrastructure projects, not to exceed four percent of the value of grants made in that biennium.

(b) Grants to municipalities under ORS 284.310 to 284.530.

(c) Transfers to the Special Public Works Debt Service Account, the Special Public Works Loan Account and the Special Public Works Security Reserve Account.

(d) Technical assistance grants to municipalities of less than 5,000 residents of not more than \$10,000. No more than \$250,000 or one percent of the value of the fund, whichever is less, shall be expended on technical assistance grants.

(2) The Special Public Works Grant Account shall consist of:

(a) Moneys appropriated to the fund by the Legislative Assembly.

(b) Moneys obtained from the interest earned on the investment of all moneys in the Special Public Works Fund.

(c) Transfers from the Special Public Works Loan Account, the Special Public Works Debt Service Account and the Special Public Works Security Reserve Account.

(d) Repayment of moneys, from any source, of moneys expended from the account to pay obligations upon which a municipality defaulted.
[1985 c.776 §13]

284.470 Special Public Works Debt Service Account; uses; sources. (1) There is established in the Special Public Works Fund the Special Public Works Debt Service Account. All moneys in the Special Public Works Debt Service

Account are continuously appropriated to the Intergovernmental Relations Division of the Executive Department for:

(a) Payment of bonds as provided in contracts with municipalities under the terms of ORS 284.410.

(b) Transfers to the Special Public Works Loan Account, the Special Public Works Grant Account and the Special Public Works Security Reserve Account. Such transfers shall be limited to moneys not necessary for the purposes outlined in paragraph (a) of this subsection.

(c) The payment for insurance premiums for bonds issued under ORS 284.310 to 284.530.

(2) The Special Public Works Debt Service Account shall consist of:

(a) Moneys appropriated to the account by the Legislative Assembly.

(b) Moneys transferred to the account from the Special Public Works Grant Account, the Special Public Works Loan Account and the Special Public Works Security Reserve Account.

(c) Payments made in respect of infrastructure projects under loan agreements, leases or subleases which are dedicated to payments of bond principal, interest and redemption premium, if any.

(d) Repayment of moneys, from any source, of moneys expended from the account to pay obligations upon which a municipality defaulted.
[1985 c.776 §15]

284.480 Special Public Works Security Reserve Account; uses; sources. (1) There is established in the Special Public Works Fund the Special Public Works Security Reserve Account. All moneys in the Special Public Works Security Reserve Account are continuously appropriated to the Intergovernmental Relations Division of the Executive Department for:

(a) Payment of principal, interest and redemption premium, if any, on bonds sold under ORS 284.490 to 284.530 if a municipality defaults on its bond repayments to the Special Public Works Debt Service Account; and

(b) Transfers to the Special Public Works Loan Account, the Special Public Works Grant Account and the Special Public Works Debt Service Account. Such transfers shall be limited to moneys not necessary for the purposes outlined in paragraph (a) of this subsection.

(2) The Special Public Works Security Reserve Account shall consist of:

(a) Moneys that may be appropriated to the account by the Legislative Assembly.

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(b) Moneys transferred to the account from the Special Public Works Grant Account, the Special Public Works Loan Account and the Special Public Works Debt Service Account.

(c) Repayment, from any source, of moneys expended under paragraph (a) of subsection (1) of this section. [1985 c.776 §16]

284.490 Standards for eligibility for revenue bond financing; rules. (1) The Intergovernmental Relations Division of the Executive Department shall adopt by rule standards by which to determine the eligibility for revenue bond financing under ORS 284.490 to 284.530 of infrastructure projects that have qualified under ORS 284.340, 284.360 to 284.390 and 284.420.

(2) Upon determining an infrastructure project eligible for revenue bond financing under ORS 284.490 to 284.530, the division shall forward the application to the State Treasurer, who shall determine whether to issue revenue bonds. [1985 c.776 §17]

284.500 Powers of division over revenue bond financing. In addition to any other powers granted by law in relation to an infrastructure project, the division, acting through the State Treasurer or designee may:

(1) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the moneys paid to the Special Public Works Debt Service Account, including interest on such moneys, and define and segregate such revenues or provide for the payment thereof to a trustee;

(2) Make all contracts, execute all instruments and do all things necessary or convenient in the exercise of the powers granted by this section, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; and

(3) Enter into and perform such contracts and agreements with municipalities as the division may consider proper and feasible for or concerning the planning, construction, installation, lease or other acquisition, and the financing of infrastructure projects. [1985 c.776 §18]

284.510 Issuance of revenue bonds. If the State Treasurer determines that revenue bonds should be issued:

(1) The State Treasurer may authorize and issue in the name of the State of Oregon revenue bonds secured by moneys paid to the Special Public Works Debt Service Account including interest on such moneys, to finance or refinance in whole or part the cost of acquisition, construction, reconstruction, improvement or extension

of infrastructure projects. The bonds shall be issued in the manner prescribed by ORS chapter 286, and refunding bonds may be issued to refinance such revenue bonds.

(2) The State Treasurer shall designate the underwriter, trustee and bond counsel and enter into appropriate agreements with each to carry out the provisions of ORS 284.490 to 284.530. [1985 c.776 §19]

284.520 Application of law to revenue bonds. (1) ORS 280.360 to 280.380 and 280.390 apply to revenue bonds issued under ORS 284.490 to 284.530.

(2) The proceeds of revenue bonds issued and sold under ORS 284.490 to 284.530 shall be deposited in the Special Public Works Loan Account and used for the payment of a loan to a municipality for an infrastructure project described in ORS 284.310 to 284.530 and for which project the revenue bonds were issued.

(3) A loan made with money derived from the sale of revenue bonds under this section shall be made as other loans under ORS 284.340, 284.360 to 284.390, 284.410, 284.420 and 284.450 are made, except that the loan contract shall set forth a schedule of payments which shall not exceed the usable life of the contracted infrastructure project. [1985 c.776 §20]

284.530 Terms of revenue bonds. (1) Revenue bonds issued under ORS 284.490 to 284.530.

(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section, nor shall the state be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the state except those moneys paid to the Special Public Works Debt Service Account, including interest on such moneys, under the provisions of ORS 284.490 to 284.530.

(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state, except those moneys paid to the Special Public Works Debt Service Account, including interest on such moneys, under the provisions of ORS 284.490 to 284.530 and those moneys in the Special Public Works Security Reserve Account, under the provisions of ORS 284.310 to 284.530.

(c) Shall not exceed, for all bonds outstanding, a total value of \$100 million.

(2) Each bond issued under ORS 284.490 to 284.530 shall recite in substance that the bond, including interest thereon, is payable from the revenue pledged to the payment thereof and, under the conditions specified in ORS 284.340 (2)(d), from the Special Public Works Security Reserve Account. No such bond shall constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation. [1985 c.776 §21]

OREGON RESOURCE AND TECHNOLOGY DEVELOPMENT CORPORATION

284.610 Definitions for ORS 284.610 to 284.710. As used in ORS 284.610 to 284.710:

(1) "Applied research" means those research activities occurring at educational institutions and in private enterprises, which have potential commercial application in key traded sector areas of special importance to the Oregon economy.

(2) "Applied research fund" means the Oregon Resource and Technology Development Applied Research Fund established in ORS 284.690.

(3) "Corporation" means the Oregon Resource and Technology Development Corporation.

(4) "Educational institutions" means non-profit public and private community colleges, colleges and universities in the state.

(5) "Enterprise" means a firm with its principal place of business in Oregon which is engaged or proposes to be engaged in this state in natural resource based or other manufacturing, research and development, or the provision of technology based services including computer software development and information and design industries.

(6) "Innovation" means any new technology, product or process without regard to whether a patent has or could be granted.

(7) "New technology" means the development through science or research of methods, processes and procedures, including but not limited to those involving the utilization of timber and timber by-products, fishery resources and agriculture including aquaculture and viticulture, for practical application in industrial and service situations.

(8) "Person" means any individual, partnership, corporation or joint venture carrying on business or proposing to carry on business within the state.

(9) "Product" means any product, device, technique or process, which is or may be exploitable commercially. However, "product" does not refer to pure or basic research but shall apply to such products, devices, techniques or processes which have advanced beyond the theoretical stage and are in a prototype or practice stage.

(10) "Qualified security" means any public or private financial arrangement, involving any note, security, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate or subscription, transferable security, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of the foregoing to the extent allowed by the Oregon Constitution.

(11) "Seed capital" means financing that is provided for the development, refinement and commercialization of a product, process or innovation, whether for the start-up of a new firm, the expansion of a young, small firm or the restructuring of a mature, small firm.

(12) "Seed capital fund" means the Oregon Resource and Technology Development Seed Capital Fund established in ORS 284.680.

(13) "Small business" means an enterprise engaged in manufacturing having 200 or fewer employees and all other business enterprises having 50 or fewer employees pursuant to ORS 280.910.

(14) "Traded sector" means those Oregon enterprises that sell goods or services outside the state. [1985 c.814 §3]

284.620 Legislative findings. The Legislative Assembly finds that:

(1) There exists in the state a great and growing opportunity for cooperation between private enterprise and educational institutions in the areas of innovation, applied research and the transfer of new technologies between educational institutions and private enterprises.

(2) Furthermore, there exists a lack of seed capital financing for the development of new products or processes by small innovative enterprises or new enterprises engaged in key traded-sector industries of special importance to the Oregon economy.

(3) Encouraging these activities can lead to increased industrial and commercial develop-

The following sections of House Bill 2938 were inadvertently omitted during codification. These sections were enacted as part of HB2938 and are part of Oregon laws governing the Special Public Works program. The section which most directly affects this program is Section 23(2).

"SECTION 23. (1) In addition to and not in lieu of any other limitation, the amount in subsection (1) of section 8, chapter ___, Oregon Laws 1985 (Enrolled House Bill 5032), shall be the other fund limitation from the Special Public Works Fund for distribution to municipalities through a periodic competitive evaluation process.

(2) Not less than 33 percent of these funds shall be used to provide financial assistance to nonurban infrastructure projects and not less than 33 percent shall be used to provide financial assistance to urban infrastructure projects.

SECTION 24. In addition to and not in lieu of any other limitation, the amount in Section 4, chapter ___, Oregon Laws 1985 (Enrolled House Bill 5032), shall be the other fund limitation from the Special Public Works Fund for distribution, in the form of grants, to municipalities for specific projects as described in paragraph (b) of subsection (4) of section 4 of this Act.

SECTION 25. Notwithstanding the limitation on administrative expenses found in paragraph (a) of subsection (1) of section 11 of this Act and paragraph (a) of subsection (1) of section 13 of this Act, \$25,000 is established as the maximum from the amount allocated by subsection (1) of section 8, chapter ___, Oregon Laws 1985 (Enrolled House Bill 5032), which may be expended for the biennium beginning July 1, 1985.

SECTION 26. The limitation imposed by chapter 127, Oregon Laws 1985 (Enrolled House Bill 5038), on the Public Transit Division is increased by \$5 million to provide grants to mass transit systems in this state for the purpose of matching federal appropriations for capital projects that promote economic growth and development.

SECTION 27. (1) The limitation imposed by chapter 83, Oregon Laws 1985 (Enrolled Senate Bill 5548), on the Executive Department is increased by \$1 million to provide financial support to county fairs in Oregon Counties with a population under 400,000 and to support those special events identified in ORS 462.280(1)(e)(A) to (H).

(2) The Intergovernmental Relations Division shall select, through an annual competitive process, the counties and special projects to receive financial assistance from the funds described in this section.

SECTION 28. The limitation imposed by chapter 83, Oregon Laws 1985 (Enrolled Senate Bill 5548), on the Executive Department is increased by \$250,000 for distribution to the Oregon Downtown Development Association to provide technical assistance to communities in the planning and design of downtown development projects.

SECTION 29. The limitation imposed by chapter 63, Oregon Laws 1985 (Enrolled Senate Bill 5538), on the State Forestry Department is increased by \$1,300,000 for the purpose of establishing a precommercial forest thinning project.

SECTION 30. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect July 1, 1985."

Family Wage Job Income Limits

<u>County</u>	<u>Annual Income</u>	<u>Equivalent Hourly Rate</u>
Baker	\$13,550	\$6.51
Benton	17,700	8.51
Clackamas	18,450	8.87
Clatsop	15,500	7.45
Columbia	17,400	8.37
Coos	15,150	7.28
Crook	14,350	6.90
Curry	13,900	6.68
Deschutes	15,450	7.43
Douglas	15,100	7.28
Gilliam	14,500	6.97
Grant	14,400	6.92
Harney	15,900	7.64
Hood River	16,100	7.74
Jackson	14,500	6.97
Jefferson	14,150	6.80
Josephine	12,250	5.89
Klamath	14,650	7.04
Lake	14,600	7.02
Lane	15,950	7.67
Lincoln	14,900	7.16
Linn	15,550	7.48
Malheur	13,000	6.25
Marion	16,150	7.76
Morrow	16,750	8.05
Multnomah	18,450	8.87
Polk	16,150	7.76
Sherman	14,100	6.78
Tillamook	14,150	6.80
Umatilla	15,350	7.38
Union	15,050	7.24
Wallowa	13,850	6.66
Wasco	16,850	8.10
Washington	18,450	8.87
Wheeler	11,900	5.72
Yamhill	18,450	8.87

Source: Oregon Executive Department, Intergovernmental Relations Division, October 1985.

Information for determining whether a project is urban or nonurban.

The purpose of this appendix is to assist applicants in determining whether or not a specific project is urban or nonurban. This determination is necessary for completion of the Phase I infrastructure construction project application form and will be used by IRD in meeting statutory requirements for distribution of funds. Technical Assistance project applications do not require determination of whether a project is urban or nonurban. Please call the IRD Project Manager assigned to your area if you have questions about this appendix.

Determination for specific projects

1. A project is "urban" if it is located in whole or in part within the urbanized area of a Metropolitan Statistical Area (MSA) as designated on Census Bureau maps. There are four MSA's in Oregon: Portland, Salem-Keizer, Eugene-Springfield, and Medford.
2. A project may be determined to be "urban" for purposes of the Special Public Works program if IRD finds that, by applying the Census Bureau standards now, the project is in fact located in whole or in part in the urbanized area of a Metropolitan Statistical Area. In order for IRD to make this finding, the applicant must provide sufficient documentation with the Phase I application.

The documentation must show that the Census Bureau standards are applied correctly. Verification from the Portland State University Center for Population Research & Census, must be provided which confirms that the subject area would indeed be designated "urbanized" today using Census Bureau standards. This can be in the form of a letter or other signed statement.

3. Projects which are not determined to be urban under #1 or #2, above, will be considered "nonurban" for purposes of the Special Public Works program.

Census Bureau standards

The following definition of urbanized areas is taken directly from General Social and Economic Characteristics--Oregon, 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census, issued August 1983.

URBANIZED AREAS

Definition

The major objective of the Census Bureau in delineating urbanized areas is to provide a better separation of urban and rural population in the vicinity of large cities. An urbanized area consists of a central city or cities, and surrounding closely settled territory ("urban fringe").

The following criteria are used in determining the eligibility and definition of the 1980 urbanized areas.¹

An urbanized area comprises an incorporated place² and adjacent densely settled surrounding area that together have a minimum population of 50,000.³ The densely settled surrounding area consists of:

1. Contiguous incorporated or census designated places having:
 - a. A population of 2,500 or more; or
 - b. A population of fewer than 2,500 but having either a population density of 1,000 persons per square mile, or a closely settled area containing a minimum of 50 percent of the population, or a cluster of at least 100 housing units.
2. Contiguous unincorporated area which is connected by road and has a population density of at least 1,000 persons per square mile.⁴
3. Other contiguous unincorporated area with a density of less than 1,000 persons per square mile, provided that it:
 - a. Eliminates an enclave of less than 5 square miles which is surrounded by built-up area.
 - b. Closes an indentation in the boundary of the densely settled area that is no more than 1 mile across the open end and encompasses no more than 5 square miles.
 - c. Links an outlying area of qualifying density, provided that the outlying area is:
 - (1) Connected by road to, and is not more than 1 1/2 miles from, the main body of the urbanized area.

¹ All references to population counts and densities relate to data from the 1980 census.

² In Hawaii, incorporated places do not exist in the sense of functioning local governmental units. Instead, census designated places are used in defining a central city and for applying urbanized area criteria.

³ The rural portions of extended cities, as defined in the Census Bureau's extended city criteria, are excluded from the urbanized area. In addition, for an urbanized area to be recognized, it must include a population of at least 25,000 that does not reside on a military base.

⁴ Any area of extensive nonresidential urban land use, such as railroad yards, airports, factories, parks, golf courses, and cemeteries, is excluded in computing the population density.

- (2) Separated from the main body of the urbanized area, is connected by road to the main body of the urbanized area, and is not more than 5 miles from the main body of the urbanized area.

4. Large concentrations of nonresidential urban area (such as industrial parks, office areas, and major airports), which have at least one-quarter of their boundary contiguous to an urbanized area.

A map of each urbanized area in this State appears in the PC80-1-A report for the State.

Supplemental Information Concerning SPWF Loans

The purpose of this appendix is to provide some additional information concerning some of the technical aspects of SPWF loans. This information is meant to assist municipalities as they prepare the financial portion of an infrastructure construction project application. Careful consideration of how a SPWF loan will be handled at the local level is a very important aspect of planning the application. Some specific local situations may not be covered by the information provided below. Questions about SPWF loans should be directed to the IRD Project Manager assigned to your area.

Contracts with Intergovernmental Relations Division (IRD)

All contracts between IRD and a municipality involving SPWF loan funds must include an acknowledgement by the municipality that repayment of the loan is an obligation of the municipality. IRD cannot enter into contracts with municipalities involving SPWF loans where repayment of the loan is subject to a nonappropriation clause. A municipality may not obligate its general revenues to repay an infrastructure loan.

Alternative methods for municipalities to use in accepting SPWF loans

1. Direct loans, if authorized by local charter or ordinance.

The infrastructure program statute does not specifically give municipalities the ability to accept direct loans from the Intergovernmental Relations Division. Local charters or ordinances may, however, give individual municipalities the authority to accept loans which enable them to enter into agreements to pay indebtedness when repayment can be made from, and enforced against, a "special fund."

For example, a "special fund" for a sewer project could consist of revenues coming from sewer system user fees or system development charges. Another source of revenues for deposit into a special fund could come from special assessments made against properties benefitted by the infrastructure project.

In the contract with IRD, the municipality pledges to deposit specified amounts of revenues in the special fund. IRD's right of recovery of loan funds is then limited to the special fund identified in the contract.

2. Revenue Bonds

Another way to secure repayment of an SPWF loan is to sell a revenue bond to IRD. The standard process authorized in state law for issuing revenue bonds is used, with the buyer being the State of Oregon-IRD. IRD has prepared a model revenue bond resolution which contains clauses that must be included in order for IRD to purchase a revenue bond from a municipality. These clauses also are included in the standard contract used by IRD for the Special Public Works Program where revenue bonds will be used for loan repayment.

The opinion of bond counsel is not necessary for these revenue bonds, since IRD is the buyer. The municipality's attorney, however, must provide assurance that the revenue bond process has been carried out correctly before IRD will purchase the bond.

Sources of Loan Repayment or Security

The following is a short list of possible sources of repayment funds or collateral for SPWF loans. Most of these are in use for current Special Public Works program projects. In demonstrating to IRD the need for any SPWF grant and the certainty of loan repayment, the applicant must show that all possible and reasonable sources of repayment were investigated.

1. Local Improvement Districts
2. Proceeds from the sale of benefitted industrial park land owned by the municipality.
3. Systems development or connection charges
4. User charges (sewer, water, wharfage)
5. State-shared revenues, such as from fuel taxes and license fees.
6. Mortgages on land or buildings.

PHASE I APPLICATION INFRASTRUCTURE CONSTRUCTION PROJECT

OREGON SPECIAL PUBLIC WORKS PROGRAM

Mail to: OREGON COMMUNITY DEVELOPMENT PROGRAM--INTERGOVERNMENTAL
RELATIONS DIVISION, 155 Cottage Street N.E., Salem, OR 97310

A. APPLICATION OVERVIEW

Applicant: On behalf of (sewer districts):
Address: Name:
Address:

Telephone: Telephone:

Contact Person--Name & Position:
Address:

Telephone:

1. Project Title:

2. Project Description: (brief explanation of the infrastructure
project and economic benefits to be achieved)

3. Job Creation Benefits (BRIEF description of expected job
creation/retention resulting from construction of the
infrastructure project):

4. Funding Request:

TOTAL SPWF DOLLARS REQUESTED: \$ _____
SPWF Loan: \$ _____
SPWF Grant: \$ _____

Other Funds in project: \$ _____
(attach list of sources
and dollar amounts for each)

Total Project Cost: \$ _____

$\frac{\text{SPWF Grant}}{\text{Total Project Cost}} = \%$ $\frac{\text{Other funds}}{\text{Total Project Cost}} = \%$

$\frac{\text{SPWF Grant Request}}{\text{Total SPWF Request}} = \%$ $\frac{\text{SPWF Loan Request}}{\text{Total SPWF Request}} = \%$

5. Project Budget. Please complete the project budget sheet (provided
as the last page of this application form).

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IRD:09/12/86

6. Project location: Is the proposed project located all or in part in an urbanized portion of a metropolitan statistical area as designated by the U.S. Census Bureau? If yes, please attach documentation of proof. See Appendix C for additional information. If no, the project will be considered "nonurban" for the purpose of meeting the statutory requirement for funding urban and nonurban projects.

Also attach a clear vicinity map on which the project location is identified.

For all of the following items, use the space provided, attaching additional sheets only as necessary. On the additional sheets, clearly identify which items from the application form are being responded to.

B. ADMINISTRATIVE CAPACITY/PUBLIC HEARINGS

1. Provide information on any previous grant/loan project administration experience of the entity which will administer the project.

2. Will the project require the cooperation or active participation by other public or private entities? Describe briefly.

3. Is this a joint application? (The grant and loan funding ceilings also apply to joint applications) If so, indicate below which jurisdiction will assume primary responsibility for the project and attach a copy of the cooperation agreement between the municipalities.

4. Date the required public hearing for this application was held: _____, 1986.

Attach the notice and minutes from the hearing and a summary of any adverse comments and responses to those comments.

C. THRESHOLD REQUIREMENTS

1. Describe how the infrastructure project will provide the physical foundation for industrial or commercial development.
2. Explain how the lack of this facility prevents or substantially restricts economic development (or continued use) of this area. Demonstrate that significant economic development or continued use of the area would be impossible without this infrastructure project.
3. Demonstrate that the existing acknowledged city or county comprehensive plan applicable to this project allows industrial or commercial development of a type and scale that is sufficient to repay the cost of the project. Plan and zoning maps and land use inventory information may be attached to support this demonstration.
4. Describe the existing or proposed program for financing the ongoing maintenance, operation, and replacement of the facility system in general and the infrastructure project in particular.

COMPETITIVE CRITERIA (use the space provided unless otherwise instructed)

A. PROBABILITY OF SUCCESSFUL JOB CREATION

1. Firm Business Commitment

Do you have a firm commitment from one or more businesses to create new jobs or to retain existing jobs based on construction of the proposed infrastructure project?

YES _____ NO _____

If YES, respond to items a through f. If NO, go to section 2, High Probability of Success.

(Note: in cases where a business is simply seeking lower fees or LID assessments in order to prevent a move, points will not be awarded for "firm business commitment".)

a. Firm Commitment of Jobs

- 1) List firm(s), number of jobs to be created and/or number of jobs to be retained within the two year project period (two years from the date of funding award, Spring 1987). For each firm's jobs, provide an estimate of how many of these are or will be "family wage" jobs. This information must be verified in writing by the committed firm(s). See Appendix B for information to use in determining how many are family wage jobs.

<u>Firm Name</u>	<u>New jobs (#)</u>	<u>% Family wage</u>	<u>Retained jobs (#)</u>	<u>% Family wage</u>
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- 2) To be considered under the Firm Business Commitment category, at least one job must be retained or created for every \$20,000 requested in SPWF dollars. Calculate this figure using the formula below and enter the figure here: _____

$$\frac{\# \text{ Jobs created/retained}}{(\text{Total SPWF Request} \div \$20,000)} = \# \text{ of jobs created for every } \$20,000 \text{ in SPWF assistance}$$

- 3) Type of new jobs. For the total number of jobs listed in a (1), above, calculate the information required to fill in the blanks in the following table.

Number of jobs created/retained	% of Total Jobs	Type
# _____	_____ %	New/retained positions, existing Oregon business
# _____	_____ %	New/retained positions, existing outside-Oregon business
# _____	_____ %	New/retained positions to be filled by in-state residents
# _____	_____ %	New/retained positions to be filled by residents from applicant community and surrounding area
# _____	_____ %	Positions to be filled by transfer of existing employees from a business located elsewhere in Oregon
# _____	_____ %	Positions to be filled by transfer of existing employees from a business located outside Oregon

(Note: The percent information will not add up to 100%).

- 4) For each committed firm, provide evidence that failure to construct the infrastructure project will prevent or severely inhibit the firm from creating or retaining the anticipated jobs.

For firms pledging to retain jobs based on the proposed infrastructure project, the application must include documentation that jobs will be lost in the near future without the improvement. Documentation may include letters from State agencies where potential or real health hazard situations exist and must include a description of what other efforts the firm and municipality have made to resolve the situation prior to the time this application is submitted.

b. Commitment of business, type, probability of success

For each committed firm, provide the following: (Additional sheets are appropriate for responses to this item.)

- 1) A description of the business and its product, the reasons for and nature of the proposed expansion or retention activities, and indicate whether the product is sold or is intended to be sold in national or international markets;
- 2) Letters of commitment from the business which address their relationship to the infrastructure project specifically and provide assurance that the committed job creation/retention will take place. This must include a description of the firm's marketing program identifying existing and/or prospective customers and markets, a timeline for the firm's intended expansion, and a brief description of the types of jobs to be created or retained.
- 3) A description of the links, if any, between the committed business(es) and area educational institutions providing professional degree programs and job-training opportunities.
- 4) Information indicating whether any of the committed businesses are small (less than 50 employees) or are certified minority or women-owned businesses.

- c. Is the community considered single industry dependent? If yes, in the space below provide justification and explain how the project will promote economic diversification and recovery.

2. High Probability of Success

Applications which are not accompanied by a firm business commitment based on the infrastructure project must demonstrate that there is a high probability for industrial and/or commercial development if the improvement is made. A strong case must be made to support such applications in order to be considered for funding.

The demonstration of "high probability of success" must address, below, at least the following main points: (Use the space provided)

- a. Recent interest in the area to be benefitted by the infrastructure project by prospective new firms. Copies of letters or other evidence of recent interest should be attached.
- b. Support for the project from community and area groups who may be influential in assisting with the successful development of the project area. This information should demonstrate not only support but provide evidence of a strategy for marketing the project benefit area. Copies of letters, minutes of meetings, economic development plans, marketing plans, and other pertinent information should accompany the application.

- c. Existing site advantages (e.g., availability of other utilities and public facilities, proximity to major highways, sufficient water capacity, etc.)

- d. Existing community advantages (e.g., characteristics of the local labor force, proximity to job training and other educational opportunities, cultural inducements, recreational opportunities, etc.)

- e. Describe the links between organized economic development efforts in the community and area educational institutions providing professional degree programs and vocational training opportunities.

- f. Explain how small businesses, especially businesses owned by women and members of minority groups will benefit--directly or indirectly--from this infrastructure project.

- g. Is the applicant community considered single industry dependent? If yes, in the space below provide justification and explain how the infrastructure project will promote economic diversification and recovery.
- h. Will the project assist businesses selling goods and services in international or national markets? If yes, please explain below.

B. READINESS TO PROCEED

Use the space provided for responses.

1. When will the "Other Funds", listed on page 1 of the application, be available? Please be specific and explain any situations where other funds are not immediately available.
2. Will comprehensive plan amendments, zone changes, or other land use or facility permits be required before this project can be constructed? If yes, describe the situation and anticipated decision dates.

3. Provide a brief narrative outlining the major tasks and projected timeline for the project.

CERTIFICATION

I certify that:

- We are willing and upon award, will be able to enter into a contract with IRD for repayment of loans and/or bonds.
- We have or will adopt within the project period, a program for financing the ongoing operation, maintenance and replacement of the system in general and the project/facility in particular.
- We will comply will all state regulations and requirements.
- We will report to IRD on permanent employment generated by this project.
- To the best of my knowledge: (1) all information contained in this application is valid and accurate and (2) the submission of this application has been authorized by the governing body of the municipality.

Signature: _____ Title: _____
(highest elected official)*

Municipality: _____

Name: _____ Date: _____

*or other authorized official

PROJECT BUDGET

Applicant _____

Project Title _____

Activities

Source and Amount	Source and Amount						Other	Other	Total
	Acct. Cd.	P.W. Grant	P.W. Loan	Local-Cash	Local-Inkind				
1. Water Improvements	985.562								
a.									
b.									
2. Sanitary Sewer Improvements	985.563								
a.									
b.									
3. Storm Sewer Improvements	985.564								
a.									
b.									
4. Road and Bridge Improvements	985.565								
a.									
b.									
5. Public Trans. & Railroad Fac.	985.592								
a.									
b.									
6. Solid Waste Facilities	985.593								
a.									
b.									
7. Contractual Services	985.583								
a.									
b.									
8. Personnel Services									
a. Engineering/Architectural	985.590								
b. Administration		XXXXXXXXXX	XXXXXXXXXX						
9. Other (Explain)	985.566								
10. Total all Expenses									

-44-

DH:1h:0463C
IRD:07/16/86

PHASE II APPLICATION INFRASTRUCTURE CONSTRUCTION PROJECT

OREGON SPECIAL PUBLIC WORKS PROGRAM

Mail to: OREGON COMMUNITY DEVELOPMENT PROGRAM--INTERGOVERNMENTAL
RELATIONS DIVISION, 155 Cottage Street N.E., Salem, OR 97310

A. APPLICATION OVERVIEW

Applicant:	On behalf of (sewer districts):
Address:	Name:
	Address:
Telephone:	Telephone:

Contact Person (name and position):
Address:

Telephone:

1. Project Title:

2. Project Description: (brief explanation of the infrastructure project and economic benefits to be achieved)

3. Job Creation Benefits: (BRIEF description of expected job creation/retention resulting from construction of infrastructure project):

4. Funding Request:

TOTAL SPWF DOLLARS REQUESTED	\$ _____
SPWF Loan:	\$ _____
SPWF Grant:	\$ _____

Other funds in project: \$ _____

TOTAL PROJECT COST \$ _____

$\frac{\text{SPWF Grant}}{\text{Total Project Cost}} = \%$

$\frac{\text{Other funds}}{\text{Total Project Cost}} = \%$

$\frac{\text{SPWF Grant Request}}{\text{Total SPWF Request}} = \%$

$\frac{\text{SPWF Loan Request}}{\text{Total SPWF Request}} = \%$

5. Project Budget: Please complete the project budget sheet provided as the last page of this application form. This budget and the above request must not be different from the Phase I application unless changes are specifically approved by IRD.

B. PROJECT FEASIBILITY REPORT

Each application must be accompanied by the information requested below. This information can be prepared in the form of a preliminary engineering report similar to those prepared for Local Improvement Districts. Although the application requirements below are divided into three sections, some of the requested information is applicable to both the engineering and financial feasibility portions of the report. In these cases, the information needs to be submitted just once in the Feasibility Report.

Since this report will require attachment of information to this application form, please clearly identify in the attachments and the body of the report the application items being responded to.

Incomplete applications will be eliminated from further consideration. Contact the IRD Project Manager assigned to your area if there are questions about information to include in this feasibility report.

1. MAPS showing:

- a. The general location of the project within the applicant's jurisdiction;
- b. If the applicant is not a city or county, the jurisdiction's boundaries; and
- c. The adopted land use plan map for an area including at least the project's special benefit area.

2. ENGINEERING FEASIBILITY

Information about the engineering feasibility of the proposed infrastructure project must be stamped by a registered professional engineer and must include all of the following:

- a. Detailed description of the project, including an explanation of the basis for the size and/or capacity of the proposed facility;
- b. Map(s) identifying all tax lots or parcels in the project area, and:
 - 1) For all properties which will be specially benefitted list, by tax lot, the proposed method of assessment, proposed individual lot assessments, and the names and addresses of the respective property owners. If an LID will not be used to generate revenues from benefitted properties, explain the chosen alternative method; and

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JJD:lh:96461
IRD:09/16/86

- 2) For those properties not specially benefitted, explain why they are not specially benefitted and thus not subject to participation in the SPWF loan repayment plan.
- c. Discussion of project alternatives which demonstrates that the proposed infrastructure is the most cost-effective. This information must include verification either by an outside source or from an adopted comprehensive or facility plan that the size and/or capacity of the proposed project is justified;
- d. Detailed cost estimate which includes all items necessary to achieve the project (Note: No SPWF funds may be used for contingencies or cost overruns); and
- e. Preliminary design drawings of the project.

3. FINANCIAL FEASIBILITY

Please respond to each item below, except where inapplicable.

- a. Description of project finances. Use format below to identify funding sources for the project, based on the total project cost estimate provided above in the engineering feasibility study:

<u>Funding Sources</u>	<u>Amount</u>	<u>Estimated date funds will be available</u>
(list each one, incl. SPWF grant and/or SPWF loan, specially benefitted properties, local sources, LID's, other state & federal sources)		(explain as needed on separate sheet)

In order to demonstrate financial feasibility and the project's readiness to proceed financially, documentation of the availability of non-SPWF funds must be provided with the application.

Documentation must include a copy of the current municipal budget or most recent municipal audit report which shows the status of capital reserve funds or other local funds which will be used to support the project. Other documentation should include, as appropriate:

- 1) Resolutions of Intent to make improvements, resolutions calling for an engineer's report, or other similar actions taken to start the project;

- 2) Letters of commitment from other public funding agencies which indicate when the committed funds will be available;
 - 3) Copies of agreements between affected jurisdictions or between the applicant and affected private parties which address the financial aspects of the project; and
 - 4) A description of any inkind match.
- b. Project Budget. Complete the budget form which is provided at the end of this application form. Provide additional detail on separate sheets and use information from B.3.a., above, as necessary to give a full presentation of the project budget.
 - c. The SPWF program is not designed to fund project cost overruns or contingencies, whether as part of the original project budget or after the initial funding award. Please describe how cost overruns or contingencies will be handled for this project.
 - d. Explain why SPWF funds are needed for the project and/or why the project cannot be accomplished at this time by the municipality without SPWF assistance.
 - e. List the other sources of funding which have been considered and/or sought for this project and note, briefly, why the other sources are not suitable, adequate, or possible at this time.
 - f. Describe how any requested SPWF loan will be repaid. List the source of repayment funds, projected revenues, and a suggested loan repayment period and interest rate (covering the term of repayment to the State). Refer to Appendix D for additional information concerning SPWF loans.

According to ORS 284.380 (5), the sources of repayment must include some revenues from the owners of properties specially benefitted by the project. These revenues can be in the form of user charges, property assessments, or other charges. Please attach a copy of the current or proposed user charge schedule and ordinances if this mechanism will be used to generate repayment funds. All other sources of repayment should be described in enough detail to show that the above requirement can be met.
 - g. For projects using some form of special assessment, such as a Local Improvement District (LID), the following information must be submitted:
 - 1) Date the assessment district was established or will be established if the project is awarded SPWF funds;

- 2) An estimate of the unit cost (per square foot, per front foot, or whatever unit of cost is used) of the improvement to the specially benefitted properties;
- 3) A list of the properties subject to the special assessment, using tax map/tax lot description, and a map of the LID boundaries if different from the information shown on maps provided under Section 2, Engineering Feasibility; and
- 4) A recommendation regarding the rate of interest to be charged to benefitted property owners.

CERTIFICATION

I certify that:

- We are willing and upon award, will be able to enter into a contract with IRD for repayment of loans and/or bonds.
- We have or will adopt within the project period, a program for financing the ongoing operation, maintenance and replacement of the system in general and the project/facility in particular.
- We will comply with all state regulations and requirements.
- We will report to IRD on permanent employment generated by this project.
- To the best of my knowledge: (1) all information contained in this application is valid and accurate and (2) the submission of this application has been authorized by the governing body of the municipality.

Signature: _____ Title: _____
(highest elected official)*

Municipality: _____

Name: _____ Date: _____

*or other authorized official

PROJECT BUDGET

Applicant _____

Project Title _____

Activities	Source and Amount						Project Title			
	Acct. Cd.	P.W. Grant	P.W. Loan	Local - Cash	Local - Inkind	Other				
1. Water Improvements	985.562									
a.										
b.										
2. Sanitary Sewer Improvements	985.563									
a.										
b.										
3. Storm Sewer Improvements	985.564									
a.										
b.										
4. Road and Bridge Improvements	985.565									
a.										
b.										
5. Public Trans. & Railroad Fac.	985.592									
a.										
b.										
6. Solid Waste Facilities	985.593									
a.										
b.										
7. Contractual Services	985.583									
a.										
b.										
8. Personnel Services										
a. Engineering/Architectural	985.590									
b. Administration		XXXXXXXXXX	XXXXXXXXXX							
9. Other (Explain)	985.566									
10. Total all Expenses										

DH:lh:0463C

IRD:07/16/86

TECHNICAL ASSISTANCE PROJECT APPLICATION

OREGON SPECIAL PUBLIC WORKS PROGRAM

Mail to: OREGON COMMUNITY DEVELOPMENT PROGRAM--INTERGOVERNMENTAL
RELATIONS DIVISION, 155 Cottage Street N.E., Salem, OR 97310

A. APPLICATION OVERVIEW

Applicant: On behalf of (sewer districts):
Address: Name:
Address:
Telephone: Telephone:
Current population of applicant municipality:
(Data source? _____)

Contact person (name & position):
Address:
Telephone:

1. Project Title:

2. Project Description:

3. Future job creation benefits of the project:

4. Funding Request:

SPWF GRANT REQUESTED \$ _____
Other funds committed to project \$ _____
Total project cost \$ _____

$\frac{\text{SPWF Grant request}}{\text{Total project cost}} = \quad \%$

5. Project Budget. Please complete the project budget sheet (provided as the last page of this application form).

SPWF - TA Application Page 1

JJD:lh:9648T
IRD:09/12/86

B. ADMINISTRATIVE CAPACITY/PUBLIC HEARING

Use the space provided for responses, unless otherwise directed.

1. Will the TA project require the cooperation or active participation by other public or private entities? Describe briefly.
2. Is this a joint application? If so, indicate which jurisdiction will assume primary responsibility for the project and attach a copy of the cooperation agreement between the municipalities.
3. Date the required public hearing for this application was held: _____, 1986.

Attach a copy of the notice and minutes from the hearing, a summary of any adverse comments, and responses to those comments.
4. Provide information on any previous grant project administration experience of the entity which will administer the project.
5. Provide a brief narrative outlining the major tasks and projected timeline for the TA project.

C. THRESHOLD REQUIREMENTS

For each of the threshold criteria below, respond in terms of the facility which is the subject of the proposed TA project. For example, if the TA project will develop preliminary engineering for a trunk sewer in an industrial park, responses should address each of the threshold criteria as they relate to the trunk sewer.

Use the space provided, attaching additional sheets only if needed to clearly explain the project situation.

1. Describe how the infrastructure project will provide the physical foundation for industrial or commercial development.
2. Explain how the lack of this facility prevents or substantially restricts economic development (or continued use) of this area. Demonstrate that significant economic development or continued use of the area would be impossible without this infrastructure project.

3. Demonstrate that the existing acknowledged city or county comprehensive plan applicable to this project allows industrial or commercial development of a type and scale that is sufficient to repay the cost of the project. Plan and zoning maps and land use inventory information may be attached to support this demonstration.

4. Describe the existing or proposed program for financing the ongoing maintenance, operation, and replacement of the facility system in general and the infrastructure project in particular.

D. COMPETITIVE CRITERIA (Use the space below, attaching additional sheets as needed or directed)

1. Attach a brief (no more than two pages) narrative which explains how the TA project will meet one or more of the statutory objectives of the SPWF program. These objectives are listed on page 1 of the applicant handbook. A copy of the statute is provided in Appendix A of the handbook--see ORS 284.340 for the objectives.
2. Explain how the local community has organized to market the area which would be benefitted by construction of the infrastructure project. Evidence of local support in the form of letters or economic development plans or strategies should be attached.
3. Has there been recent development interest in the area which would benefit from the infrastructure project? If yes, explain and attach evidence of this interest.

CERTIFICATION

I certify that:

- We are willing and upon award, will be able to enter into a contract with IRD for repayment of loans and/or bonds.
- We have or will adopt within the project period, a program for financing the ongoing operation, maintenance and replacement of the system in general and the project/facility in particular.
- We will comply will all state regulations and requirements.
- We will report to IRD on permanent employment generated by this project.
- To the best of my knowledge: (1) all information contained in this application is valid and accurate and (2) the submission of this application has been authorized by the governing body of the municipality.

Signature: _____ Title: _____
(highest elected official)*

Municipality: _____

Name: _____ Date: _____

*or other authorized official

PROJECT BUDGET

Applicant _____

Project Title _____

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8. Personnel Services										
a. Engineering/Architectural	985.590									
b. Administration		XXXXXXXXXX	XXXXXXXXXX							
9. Other (Explain)	985.566									
10. Total all Expenses										

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 DH:1h:0463C
 IRD:07/16/86

